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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:
 JOHN VISSER and GRACE VISSER
 Debtors-In-Possession.

Lead Case No. 12-17310-A-11
 (Proposed)

Chapter 11
 DC No.: KDG-14

(Proposed to be) jointly administered
 with:

In re:
 JOHN VISSER DAIRY, INC.,
 Debtor-In-Possession.

Case No. 12-17311-A-11
 DC No.: KDG-14

In re:
 VISSER RANCH TRANSPORT, INC.,
 Debtor-In-Possession.

Case No. 12-17312-A-11
 DC No.: KDG-14

In re:
 DAIRYMAN'S CALF RANCH, INC.,
 Debtor-In-Possession.

Case No. 12-17313-A-11
 DC No.: KDG-14

In re:
 LARIAT DAIRY, INC.,
 Debtor-In-Possession.

Case No. 12-17314-A-11
 DC No.: KDG-14

In re:

GRACELAND DAIRY, INC.,

Debtor-In-Possession.

Case No. 12-17315-A-11
DC No.: KDG-14

In re:

VISSER RANCH, INC.,

Debtor-In-Possession.

Case No. 12-17316-A-11
DC No.: KDG-14

In re:

VISSER FARMS,

Debtor-In-Possession.

Case No. 12-17336-A-11
DC No.: KDG-14

■ Affects all Debtors

- ☐ Affects John Visser and Grace Visser only
- ☐ Affects John Visser Dairy, Inc., only
- ☐ Affects Visser Ranch Transport, Inc., only
- ☐ Affects Dairyman's Calf Ranch, Inc., only
- ☐ Affects Lariat Dairy, Inc., only
- ☐ Affects Graceland Dairy, Inc., only
- ☐ Affects Visser Ranch, Inc., only
- ☐ Affects Visser Farms, only

Date: October 3, 2012

Time: 1:30 p.m.

**Place: United States Bankruptcy
2500 Tulare Street, 5th Floor
Department A, Courtroom 11
Fresno, California**

Judge: Honorable Fredrick E. Clement

**DECLARATION OF JOHN VISSER IN SUPPORT OF MOTION BY DEBTORS FOR
ORDER AUTHORIZING DEBTORS' EMPLOYMENT OF
GLASSRATNER ADVISORY & CAPITAL GROUP, LLC**

I, JOHN VISSER, declare:

1. John and Grace Visser, John Visser Dairy, Inc., Graceland Dairy, Inc., Visser Ranch, Inc., Visser Ranch Transport, Inc., Lariat Dairy, Inc., Dairyman's Calf Ranch, Inc., and Visser Farms (collectively "the Visser Entities") are the Debtors and Debtors-in-Possession

1 in the above-referenced cases ("Debtors"). I am an officer of each of the Visser Entities except
2 Visser Farms, in which I am a general partner, and I have personal knowledge of the
3 information set forth in this Declaration. I could and would testify thereto if called as a
4 witness.

5 2. There are no Chapter 11 Trustees in these cases and, therefore, Debtors are also
6 Debtors-in-Possession.

7 3. My wife and I and are individuals residing in Visalia, California. We filed our
8 Chapter 11 case by filing a Voluntary Petition under Chapter 11 of the Bankruptcy Code on
9 August 24, 2012. My wife and I are the settlors, trustees, and beneficiaries of the "John and
10 Grace Visser Revocable Family Trust" ("the Trust"). The Trust owns 100 percent of the
11 outstanding shares of the Visser Entities, with the exception of Visser Farms, which is a
12 general partnership between my wife and me. The Trust owns the real property on which the
13 Visser Entities operate.

14 4. John Visser Dairy, Inc., is a California corporation (taxed under subchapter "S")
15 formed in late 2005. It operates in Hanford, California, as a dairy with a milking herd of about
16 3,600 cows and total livestock of about 7,000 animals. John Visser Dairy owns its dairy herd
17 and operating equipment. John Visser Dairy leases the facility on which it operates from the
18 Vissers' Trust. John Visser Dairy filed a Voluntary Petition under Chapter 11 on August 24,
19 2012.

20 5. Graceland Dairy, Inc., is a California corporation (taxed under subchapter "S")
21 formed in late 2007. It operates in Tulare, California, as a dairy with a milking herd of about
22 3,000 cows and total livestock of about 6,000 animals. Graceland Dairy owns its dairy herd
23 and operating equipment. Graceland Dairy leases the facility on which it operates from the
24 Vissers' Trust. It filed a Voluntary Petition under Chapter 11 on August 24, 2012.

25 6. Visser Ranch, Inc., is a California corporation (taxed under subchapter "S")
26 formed in late 2005. It operates in Strathmore, California, as a calf ranch raising heifers and
27 steers for, among others, John Visser Dairy and Graceland Dairy. Visser Ranch owns about
28 6,000 head of livestock and operating equipment. Visser Ranch leases the facility on which it

operates from the Vissers' Trust. It filed a Voluntary Petition under Chapter 11 on August 24, 2012.

7. Visser Ranch Transport, Inc., is a California corporation (taxed under subchapter "S") formed in 1991. It operates in Tulare, California, as a trucking company hauling livestock, milk, and feed for the other Visser Entities. Visser Ranch Transport owns its own trucks and equipment. It filed a Voluntary Petition under Chapter 11 on August 24, 2012.

8. Lariat Dairy, Inc., is a Texas corporation (taxed under subchapter "S") formed in late 2005. It operates in Muleshoe, Texas, as a dairy with a milking herd of about 6,800 cows and total livestock of about 12,000 animals. Lariat Dairy owns its dairy herd and operating equipment. Lariat Dairy leases the facility on which it operates from the Vissers' Trust. Lariat Dairy filed a Voluntary Petition under Chapter 11 on August 24, 2012 in the Eastern District of California.

9. Dairyman's Calf Ranch, Inc., is a Texas corporation (taxed under subchapter "S") formed in late 2005. It operates in Muleshoe, Texas, as a calf ranch raising heifers and steers for, among others, Lariat Dairy. Dairyman's Calf Ranch owns about 3,200 head of livestock and operating equipment. Dairyman's Calf Ranch leases the facility on which it operates from the Vissers' Trust. Dairyman's Calf Ranch filed a Voluntary Petition under Chapter 11 on August 24, 2012 in the Eastern District of California.

10. Visser Farms is a California general partnership. Its only partners are John and Grace Visser. It farms 40 acres of cherries, 78 acres of walnuts and 350 acres of almonds in California. In addition it grows wheat on 480 acres in New Mexico. The proceeds from these farming operations are used in the integrated operations of all of the Visser Entities. Visser Farms leases its farmland from the Vissers' Trust. It filed a Voluntary Petition under Chapter 11 on August 26, 2012.

11. All of the Visser Entities are headquartered in Strathmore, California. My son-in-law, Brian Schaap, and I oversee the operations of all of the Visser Entities. Diana Timms is the controller for all of the Visser Entities.

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A. The Vissers and the Visser Entities have significant debts owed to each other.

12. The Visser Entities share management, employees, and equipment. They use combined financial statements. They buy and sell significant amounts of goods and services to each other.

13. My wife and I and the Visser Entities maintain "Zero Balance" bank accounts, whereby cash moves freely between their accounts (on a daily basis) in order to lower the amount of cash we need to borrow from institutional lenders. This results in complex and ever-changing intercompany receivables, as reflected below.

14. My wife and I, through our Trust, owe significant amounts of money to Visser Ranch Transportation, Lariat Dairy, Dairyman's Calf Ranch, and Visser Farms.

15. John Visser Dairy owes significant amounts of money to Visser Ranch, the Vissers' Trust, Lariat Dairy, and Graceland Dairy.

16. Graceland Dairy owes significant amounts of money to Visser Ranch and to my wife and me.

17. Visser Ranch owes significant amounts of money to my wife and me, John Visser Dairy, Lariat Dairy, Dairyman's Calf Ranch, and Visser Farms.

18. Visser Ranch Transportation owes significant amounts of money to Visser Ranch and John Visser Dairy.

19. Lariat Dairy owes significant amounts of money to my wife and me, Visser Ranch, Visser Ranch Transportation, John Visser Dairy, Graceland Dairy, and Dairyman's Calf Ranch.

20. Dairyman's Calf Ranch owes significant amounts of money to my wife and me, Visser Ranch, and John Visser Dairy.

21. Visser Farms owes a significant amount of money to my wife and me.

22. Additionally, the Visser Entities all operate on real property owned by our Trust, and all pay rent to the Trust.

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B. The Vissers and the Visser Entities have common major creditors.

23. My wife and I, our Trust and several of the Visser Entities, including John Visser Dairy, Graceland Dairy, and Visser Ranch, are borrowers on a \$32.7 million secured promissory note in favor of Farm Credit West, FCLA ("Farm Credit West Note"). The Farm Credit West Note is secured by a first deed of trust against the real property owned by my wife and me.

24. My wife and I and the Visser Entities are all borrowers on Wells Fargo Bank loans of approximately \$64.5 million. The Wells Fargo loans are secured by substantially all of my wife's and my assets, and the assets owned by the Visser Entities', including first, second and third deeds of trust against the real property.

25. Debtors' businesses are dairy industry businesses. The dairy industry has been struggling through the downturn in the national and world economy. Debtors fell behind in their payments to Wells Fargo Bank. Debtors loans owed to Wells Fargo Bank became all due and payable. However, Debtors were not able to refinance the debt owed to Wells Fargo Bank when it came due because of the depressed real estate and dairy real estate. Debtors and Wells Fargo Bank came to a one-year forbearance agreement that expired in December 2011. Debtor and Wells Fargo Bank were unable to agree on the terms of continuing financing by Wells Fargo Bank.

26. In July 2012, Wells Fargo Bank sent demand letters to the creameries and sales yards with whom Debtors do business demanding that the bank be paid moneys owed to Debtors. The creameries and sales yards complied with the demand letters depriving Debtors of the money necessary to operate their businesses. Therefore, Debtors were prompted to file their Chapter 11 cases and attempt to reorganize under the protection of the Bankruptcy Code.

27. Debtors wish to employ GlassRatner, 19800 MacArthur Blvd., Irvine, California ("GlassRatner"), as their financial advisors during the bankruptcy proceedings herein.

28. Debtors selected GlassRatner to act as their financial advisors for the following reasons:

- a. GlassRatner is experienced and qualified to perform the consulting services required by Debtors and their Chapter 11 estates; a copy of George Demos' Curriculum Vitae is attached as Exhibit "B" to the supporting Exhibits;
- b. GlassRatner is familiar with the nature and complexities involved in the operation of the business conducted by Debtors;
- c. The services to be performed by GlassRatner are outside of Debtors' expertise, and
- d. Debtors believe that GlassRatner is qualified to act as their financial advisors.

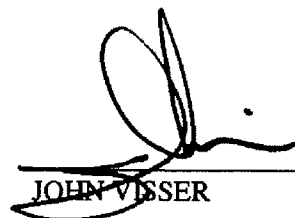
29. I have been advised that the Debtors have a potential adverse interest to each other regarding the intercompany receivables owed between and among my wife and me and the various Visser Entities ("the Debt").

30. Debtors contemplate filing a joint Plan of Reorganization that will provide for maximum repayment of all allowed claims. Additionally, the Debt, to the extent it is not just "paper" debt, is undisputed and liquidated. I believe that my wife and I and the Visser Entities have a unity of interest and the goal of paying all creditors as much as possible.

31. I believe that GlassRatner's joint employment by my wife and I and the Visser Entities as financial advisors will be in the best interests of the all of us and the creditors because of the significant cost savings involved in joint employment. The Visser Entities share ownership and management, and, to the extent there are inter-debtor claims, those claims are liquidated and undisputed.

I declare under penalty of perjury that the foregoing is true and correct.

Date: September 12, 2012



JOHN VISSER